

19 If the republic is going to insist that we get some  
20 kind of permission from the Depository Trust Company and from  
21 the so-called participants, then that could be done at some  
22 stage. I don't think that the republic and Cleary Gottlieb  
23 will really end up wanting to do that. If they insist on that,  
24 I will have to consider who will pay the cost of having that  
25 done.

32

1 The other problem I think is the problem of Mr.  
2 Gleizer's, the Macrotecnic. We had better get to that.  
3 MR. BOCCUZZI: Your Honor, just as a housekeeping  
4 matter, there was one other motion, I think it just needs to be  
5 put on the record, that we had made. That involved Franceschi.

6 After we had made our initial opposition to summary  
7 judgment because of the proof issues, there was more  
8 information provided in the next wave by plaintiffs of who  
9 bought when and the like. That led us, the republic, to want  
10 to amend the answer to assert -- and I know your Honor has  
11 dismissed the affirmative defense in the past, but it is very  
12 fact-intensive -- to assert the affirmative defense of  
13 champerty, because some of these plaintiffs we learned in  
14 subsequent evidence had bought in 2003 and then sued weeks  
15 later.

16 THE COURT: I certainly want you to have your record.  
17 The amendment will be permitted. You need to have your record.

18 MR. BOCCUZZI: Thank you, your Honor.

19 THE COURT: All right, Mr. Gleizer.

20 Before we get to Mr. Gleizer, there is an issue about  
21 so-called Brady bonds. What is that?

22 MR. CHERNOV: Your Honor, certain of the plaintiffs  
23 whom we represent bought bonds not just under the fiscal agency  
24 agreement but under other agreements that also provide for  
25 jurisdiction before this court. Those are euphemistically

33

1 known as "Brady bonds." There is another set known as "Yankee  
2 bonds" that certain of the plaintiffs hold.

3 THE COURT: Are the instruments the same?

4 MR. CHERNOV: They have certain differences in them,  
5 but for purposes of payment --

6 THE COURT: For our purposes.

7 MR. CHERNOV: For our purposes, it is exactly the  
8 same. There is a complete waiver of immunity, a complete  
9 waiver of jurisdiction.

10 THE COURT: Unconditional obligation?

11 MR. CHERNOV: Unconditional obligation. All those are  
12 exactly the same, your Honor.

13 MR. BOCCUZZI: They lack the language that your Honor  
14 referenced in terms of the depository would authorize  
15 beneficial interest holders to sustain a suit.

16 THE COURT: I will grant the motions on all those

17 cases.

18 Now Mr. Gleizer. Well, I think we had better hear  
19 from Cleary Gottlieb first, because Cleary Gottlieb asserts  
20 that there are no grounds for this.

21 MR. BLACKMAN: Actually, your Honor, I think you ought  
22 to really hear from counsel for the trustee and Correo, Ms.  
23 Bolatti. We put in papers, but she in fact does represent the  
24 person who does own this account, not the republic. I am happy  
25 to speak to some of the other legal issues.

34

1 THE COURT: I will certainly do that.

2 MR. GLEIZER: I apologize, your Honor. Does Mr.  
3 Dreier have an interest in this?

4 THE COURT: I am not trying to exclude anybody.

5 Please. I just used you as a shorthand.

6 MR. GLEIZER: But they are not in my motion.

7 THE COURT: What is your problem?

8 MR. GLEIZER: I don't know. They are sitting here.

9 THE COURT: There is plenty of room. There are four  
10 empty seats at the front table.

11 MR. GLEIZER: Also, your Honor, they are trying to use  
12 the work paid by my clients to obtain this, and they have done  
13 no work, and they are trying to take credit and get the money  
14 from my clients. They are not in this motion.

15 THE COURT: Maybe this will all be academic when we

16 get into the depth of the problem.

17 Your name, ma'am?

18 MS. BOLATTI: My name is Silvia Bolatti.

19 THE COURT: All right. You gave me a letter March  
20 3rd.

21 MS. BOLATTI: I did, your Honor. Let me start by  
22 saying that I represent Correo Argentino, who is the owner of  
23 the accounts that have been restrained in New York. I also  
24 represent --

25 THE COURT: Has an account or have accounts been  
35

1 restrained?

2 MS. BOLATTI: Yes, your Honor.

3 THE COURT: Where are then restrained?

4 MS. BOLATTI: We are taking about the B&P bearer bond  
5 account in New York and the Lehman account in Argentina. This  
6 court has granted the plaintiffs in this case, Mr. Gleizer, an  
7 ex parte permission to serve restraining orders on those  
8 accounts. That occurred on February 13, 2004, your Honor.

9 That was granted based on the representations made by Mr.

10 Gleizer regarding the meaning of decrees issued by the

11 Argentine government and order issued by the Argentine court.

12 It is our position, your Honor, that the translations

13 that were submitted are inaccurate, they are incomplete, and

14 they fail to represent accurately the meaning of these

15 documents. The plain language of these documents establishes  
16 that these accounts are and continue to be the sole ownership  
17 of Correo Argentino.

18 THE COURT: What is Correo?

19 MS. BOLATTI: Correo, your Honor, is a concession that  
20 was created in 1997 by public bid that was won by a private  
21 company, and it basically runs the post office service in  
22 Argentina. On November 19 -

23 THE COURT: You say it is a private company?

24 MS. BOLATTI: It is, your Honor.

25 THE COURT: Who owns the company?

36

1 MS. BOLATTI: The company is owned by three major  
2 stockholders. One is Sedeco Argentina. The other is the  
3 International Finance Corporation, and I believe Banco Belizia.

4 THE COURT: They are not branches of the Argentine  
5 government?

6 MS. BOLATTI: Absolutely not, your Honor.

7 THE COURT: Go ahead.

8 MS. BOLATTI: We believe, your Honor, and we have  
9 explained in detail in the declaration of legal counsel to the  
10 trustee of Correo Argentino, Mr. Julio Rivera, that the  
11 statements submitted by counsel are incorrect and inaccurately  
12 state that somehow the rescission that the Argentine republic  
13 has made of this concession to Correo which occurred by a

14 presidential decree on November 19, 2003, somehow this decree

15 reverted ownership of bank accounts, the bank accounts in New

16 York, to the government.

17 Also, Mr. Gleizer makes a representation that in fact

18 all of the assets of Correo have reverted to the government.

19 We submit, your Honor, this is absolutely false, untrue.

20 We have filed this motion this morning with your

21 Honor, a motion for excessive cost because of the vexatious

22 conduct of counsel. We are ready, your Honor, today to point

23 out, if I may just give you a couple of examples of the

24 seriousness of the inaccuracies that have been submitted to

25 this court which have caused my client to expend fees to appear

37

1 here today.

2 THE COURT: I think when Mr. Gleizer first came in and

3 presented material ex parte to me, he relied on a press report.

4 Did you not, Mr. Gleizer?

5 MR. GLEIZER: The first time, yes, your Honor. It was

6 supplemented by the concession agreement Article 26.

7 THE COURT: All right. Go ahead.

8 MS. BOLATTI: Your Honor, since Mr. Gleizer raises

9 Article 26, the first thing I would like to point out to the

10 Court is that plaintiff's counsel, on his February 19th

11 affidavit to the Court in support of his motion to confirm at

12 paragraph 3, states the following: "Concession agreement."

13 THE COURT: This is an affidavit?

14 MS. BOLATTI: Yes, your Honor. It is his translation  
15 of Article 26.4 of the concession agreement. It is at Exhibit  
16 K, I believe, to Dr. Julio Rivera's declaration.

17 THE COURT: What does he say?

18 MS. BOLATTI: Mr. Gleizer cites paragraph 26.4 and  
19 says, "The concessionaire must take responsibility for payment  
20 of all its assets and liabilities and under no circumstances  
21 may transfer them to the concession grantor."

22 Then he concludes, "By Article 26 of the concession  
23 agreement, the Republic of Argentina gets all of the assets and  
24 none of the liabilities," implying to your Honor that Correo no  
25 longer has any assets and the bank accounts in New York are now

38

1 the property of the republic.

2 But, your Honor, he omits to provide the Court with  
3 the last portion of the same paragraph 26.4, which says,  
4 "Concomitantly, the concessionaire will have the right to  
5 collect all the credits in its favor accrued as of that date,"  
6 speaking about the date of terms of the concession. This  
7 means, your Honor, that it is not true that all of the assets  
8 of Correo have been transferred to the republic. It is not  
9 true that the bank accounts in New York are the -

10 THE COURT: What did happen between the republic and  
11 Correo? What did happen? What is your version?

12 MS. BOLATTI: Your Honor, these are two parties that  
13 entered into a contract. The republic and Correo entered into  
14 a contract that was a concession. The government alleges that  
15 Correo breached the contract, and Correo alleges also that it  
16 is the government that has breached that contract.

17 What happened was that on November 19, 2003, the  
18 government rescinded the concession, alleging in decree 1075  
19 that counsel has cited that they are rescinding the concession  
20 because Correo has failed to comply basically with its end of  
21 the bargain.

22 What happened subsequently, your Honor, was that  
23 certain assets reverted to the government, certain very  
24 specific assets, their tangible assets, physical assets, that  
25 were necessary in order to run the concession, because the  
39

1 government has an interest in the continuity of the service  
2 pending the reprivatization of the concession, your Honor. But  
3 it is not true that all of the assets were transferred, and it  
4 is not true that these bank accounts in any way have been  
5 transferred to the government.

6 In fact, the government has made no allegation in any  
7 of the decrees, in any of the resolutions, it has not taken a  
8 position in Correo's insolvency proceeding in Argentina that it  
9 is entitled or claims any ownership interest in these accounts.

10 THE COURT: Let me see if I understand. At some point

11 in the past the republic gave the concession to Correo to  
12 handle the mail, right?

13 MS. BOLATTI: Yes, your Honor.

14 THE COURT: Last fall the government took the position  
15 that it was going to rescind that concession or withdraw that  
16 concession for various reasons.

17 MS. BOLATTI: Correct.

18 THE COURT: What you are saying is that certain assets  
19 of Correo were taken simply to allow the republic to carry on  
20 the postal service?

21 MS. BOLATTI: Yes, your Honor.

22 THE COURT: Such as maybe post offices and equipment  
23 and that kind of thing, is that what you are telling me?

24 MS. BOLATTI: That is correct, your Honor. If I may  
25 just add to that, that when the concession commenced, the

40

1 government gave certain assets to the company that existed with  
2 the service at that time. The contract says those assets, if  
3 the concession is rescinded, come back to the government.

4 THE COURT: What you are saying is that the government  
5 has not seized all of the assets of Correo?

6 MS. BOLATTI: Yes, your Honor.

7 THE COURT: Particularly, the government has not  
8 seized or appropriated the bank accounts we are talking about.  
9 MS. BOLATTI: That's correct, your Honor. In

10 addition, they have not asserted in any of the decrees that  
11 have been cited by counsel or in any decree that they are  
12 entitled to those accounts. There is a very clear provision in  
13 the concession agreement that says that Correo, upon  
14 termination of the concession, yes, it is responsible for the  
15 liabilities that accrued prior to the termination of the  
16 concession, but it also has the right to continue to receive or  
17 collect receivables that accrued prior to the date of  
18 termination of the concession. So it would be illogical and it  
19 doesn't make any sense to say that it has no assets left. That  
20 is not the case.

21 THE COURT: How long did the concession last?

22 MS. BOLATTI: I believe six years, your Honor,  
23 approximately.

24 THE COURT: So Correo did this business for six years?

25 MS. BOLATTI: That's right, your Honor.

41

1 THE COURT: Let's assume they earned some money, at  
2 least they had some cash from their conduct of the business. I  
3 guess what Mr. Gleizer asserted was that basically somebody had  
4 appropriated the whole company, correct?

5 MS. BOLATTI: That's correct. It is incorrect, but  
6 that is what he said.

7 THE COURT: That is what you say he said.

8 MS. BOLATTI: Correct.

9       THE COURT: I guess in the history of the world there  
10    are times that a government has seized a company, right?

11       MS. BOLATTI: Yes.

12       THE COURT: You are saying that that did not occur  
13    here.

14       MS. BOLATTI: That is correct, your Honor.

15       THE COURT: And the company is actually, what, in a  
16    bankruptcy proceeding?

17       MS. BOLATTI: It is in an insolvency proceeding, which  
18    is called "concorso" in Argentina.

19       THE COURT: In Argentina it is an insolvency  
20    proceeding. It has some assets, right?

21       MS. BOLATTI: It has some assets, absolutely, your  
22    Honor.

23       THE COURT: And it has some liabilities?

24       MS. BOLATTI: That is correct, your Honor.

25       THE COURT: The government of Argentina has not taken  
42

1    over that whole situation; that situation is being handled in  
2    the insolvency proceeding in Argentina?

3       MS. BOLATTI: Yes, your Honor. There is a bankruptcy  
4    judge that is handling the issues of the assets and liabilities  
5    and the claims from creditors. One very important thing to  
6    point out to the Court, your Honor, is that Correo has appealed  
7    the decree, the November 19th decree, 1075, that rescinds the

8 concession. So there is a possibility that Correo will

9 continue to run this operation in the future.

10 THE COURT: Didn't the insolvency judge prepare

11 something addressed to this Court?

12 MS. BOLATTI: Yes, your Honor, an exhorto, which is a

13 communication from his court clarifying (a) that the accounts

14 are of Correo's ownership and (b) that Correo continues to have

15 assets and liabilities that are subject to the oversight and

16 the supervision of the estate and of the Argentine bankruptcy

17 court.

18 THE COURT: I don't see, Mr. Gleizer, how you overcome

19 all that.

20 MR. GLEIZER: May I, your Honor?

21 THE COURT: Yes.

22 MR. GLEIZER: Your Honor, there is a concession

23 agreement. Unfortunately, to confuse the issues, counsel

24 starts by pointing to 26.4. Why not start by point 26.1, which

25 is where the Article 26 starts?

1 There is a concession agreement that gave to Correo

2 Argentino the possibility of exploiting Correo. It says when

3 this concession terminates, for any reason, and I quote from

4 Exhibit F of Correo Argentino's attorney --

5 THE COURT: Rivera's declaration?

6 MR. GLEIZER: Yes, your Honor. Excuse me, your Honor.

7 He is the attorney for the trustee, not for Correo Argentino.

8 THE COURT: Mr. Rivera's declaration?

9 MR. GLEIZER: Yes, sir.

10 THE COURT: You point to Exhibit F, as in Frank?

11 MR. GLEIZER: Exhibit F, yes, your Honor.

12 THE COURT: That is the concession agreement?

13 MR. GLEIZER: Yes, your Honor.

14 THE COURT: What part are you now referring to?

15 MR. GLEIZER: Article 26.

16 THE COURT: I have it.

17 MR. GLEIZER: It says that if the concession -- I have

18 my own translation which I believe is better, but I am using

19 the opposition's translation here. It says if the concession

20 is terminated, then the following consequences shall arise. It

21 says what will happen.

22 "26.1. On the expiry date of the concession period,

23 the concessionaire" -- that is Correo Argentino S.A., the

24 private company -- "must turn over the service to the grantor

25 with all assets pertaining thereto."

1 THE COURT: The question is, what are the assets

2 pertaining thereto?

3 MR. GLEIZER: Correct. That's right. Now it is all  
4 assets.

5 THE COURT: It doesn't say all assets. It says all

6 assets pertaining thereto.

7 MR. GLEIZER: That's correct, your Honor. Pertaining  
8 thereto to what? That is to the service to the grantor, the  
9 service that they are providing, which is the provision of  
10 mailing services.

11 So we go to the bylaws of this company to see what  
12 does it do.

13 THE COURT: Where are the bylaws?

14 MR. GLEIZER: The bylaws, your Honor, are attached as  
15 an exhibit to the declaration in Article 4 to the bylaws.

16 THE COURT: Where are the bylaws, what exhibit?

17 MR. GLEIZER: Exhibit E to the declaration, I believe,  
18 your Honor. In the middle of the page, it says what is this  
19 company. We notice two things, and I will get back to it,  
20 number 3, the term of the company. The term of the company  
21 will be 40 years, four-zero.

22 THE COURT: I don't see where you are reading.

23 MR. GLEIZER: Page 2 of Exhibit E.

24 THE COURT: I have page 2.

25 MR. GLEIZER: In the middle of the page, your Honor,  
45

1 it says number 3 under line "Article 3: Term."

2 THE COURT: OK.

3 MR. GLEIZER: The term of the company will be 40 years  
4 from its registration.

5 THE COURT: Right.

6 MR. GLEIZER: There is another paper that shows that  
7 registration was the same day that the decree granted the  
8 concession. Will be for 40 years.

9 THE COURT: What company is this?

10 MR. GLEIZER: Correo, Correo Argentino, S.A., which I  
11 called CASA, C-A-S-A.

12 THE COURT: When was this charter promulgated?

13 MR. GLEIZER: The same day of the decree granting the  
14 concession: August 25, I think, 1997.

15 THE COURT: What does this have to do with the  
16 interpretation of Article 26.1 of the concession?

17 MR. GLEIZER: It has to do with the fact that it says  
18 this is not a regular corporation that lasts forever. This is  
19 a corporation that will last 40 years. Why is it 40 years? We  
20 look at another exhibit I will find, the exhibit that shows  
21 what are the terms and conditions of the bid under which they  
22 won and they obtained the concession.

23 THE COURT: I don't see that you are leading anywhere  
24 that has to do with what information Ms. Bolatti has provided.  
25 I don't see that this is leading anywhere.

1 MR. GLEIZER: The company is for 40 years because the  
2 concession was for 40 years. This is a company that at Article  
3 4, the following article, says that it has one sole purpose,

4 one sole purpose by law. The purpose of the corporation is to  
5 provide a basic universal postal service and the ancillary  
6 services. It has no other purpose. And it lasts exactly for  
7 the period of the concession. The only purpose it has is to  
8 provide the basic universal postal service and the ancillary  
9 services.

10 THE COURT: May I interrupt you. I do see where you  
11 are going. You are arguing that the only purpose of this  
12 corporation Correo is to provide the postal service. So you  
13 are saying that assets pertaining thereto would be all the  
14 assets, right?

15 MR. GLEIZER: That is one of the arguments, yes.

16 THE COURT: When you are talking about handing over  
17 assets, it is a question of fact. It is not inevitable under  
18 the language of paragraph 26.1 that the assets pertaining  
19 thereto have to include all the cash of the company. It is not  
20 inevitable.

21 It is a question of fact, it seems to me. Under  
22 Article 26.1 the republic might have required these bank  
23 accounts to be handed over or they might not. The question is  
24 what did they do. It seems to me that that is not something to  
25 be resolved by an interpretation of the corporate charter or

- 1 the articles of incorporation which say what you said they say;
- 2 it is to be determined as a matter of fact.

3 We have, it seems to me, a detailed body of  
4 information that in fact these bank accounts were not turned  
5 over. So I don't think that we can deal by implication. We  
6 have to take the facts.

7 MR. GLEIZER: Your Honor, if I may?

8 THE COURT: And you have the judge in the insolvency  
9 court, who certainly is familiar with what is going on in his  
10 proceeding.

11 MR. GLEIZER: The insolvency judge, your Honor, tells  
12 you -- and if you read the translation that the trustee has  
13 presented, the insolvency judge does two things. He tells  
14 you --

15 THE COURT: What exhibit is that now?

16 MR. GLEIZER: In Exhibit A, your Honor, if you can  
17 find the translation. They have not put it on top, so it is  
18 difficult to find. If I may, your Honor, in Exhibit A on page  
19 1 of the translation, underlined in the original I guess, it  
20 says -- this is what the judge is telling you with respect to  
21 the situation: "It should be noted that such accounts do not  
22 constitute attachable property of the Argentine republic  
23 located in the United States."

24 He is very clear. According to him, his opinion is  
25 that they are not attachable property, they are property of the

2 THE COURT: No, no, no.

3 MR. GLEIZER: If I may finish, your Honor.

4 THE COURT: Please. If all that he said was telling  
5 me about how to apply New York law, that would be one thing.

6 But look at page 2. He says CASA -- CASA is a shorthand for  
7 Correo -- CASA's bank accounts were not transferred to the  
8 Argentine government. Certainly he must know that. That is  
9 not an interpretation of New York law.

10 MR. GLEIZER: Your Honor, that's correct. The  
11 accounts were not transferred. That is why we are trying to  
12 move them. But they have to be transferred. If you notice,  
13 the judge has already ordered two payments from these accounts,  
14 one for \$2.5 million and for \$2.2 million. They have already  
15 been transferred actually, if you want to talk fact, have  
16 actually been transferred from the Lehman bank accounts, and  
17 Lehman bank has provided the bank statements to the court and  
18 to counsel, and they were provided.

19 If your Honor would like, I can give my copy. It  
20 says, "On December 24th and on December 23rd the funds wired to  
21 Banco Nacional Antilogorio Official Unidad Administrativa, that  
22 is the administrative unit created by the president of  
23 Argentina to administer the Argentinian assets. It was already  
24 transferred.

25 This is not the only factual basis I have. The judge

1 in Argentina says the account names have not been transferred,  
2 but the funds yes.

3 THE COURT: Just a minute. Those transfers --

4 MS. BOLATTI: Your Honor, may I?

5 THE COURT: This was not really sort of like an  
6 appropriation by the government, I don't think.

7 MR. BLACKMAN: No, it was not.

8 MR. GLEIZER: May I, your Honor?

9 MR. BLACKMAN: It was a transfer to pay the wages of  
10 Correo's employees. The reason the bankruptcy judge ordered it  
11 in Argentina is that under Section 26.3 of the concession  
12 agreement Correo is required to pay those wages and benefits up  
13 to the time, that accrued up to the time of the handover of  
14 service. That is why the bankruptcy judge ordered those  
15 moneys.

16 THE COURT: Those payments were passed?

17 MR. BLACKMAN: Yes. These are wages before decree  
18 1075 and the bankruptcy judge ordered them to be sent to  
19 Argentina and the administrative unit which now is the employer  
20 of those people since the handover, in turn used those moneys  
21 to pay.

22 THE COURT: But before, past employee obligations.

23 MR. BLACKMAN: Exactly, your Honor. The money did not  
24 go one penny to the Republic of Argentina.

25 THE COURT: For current operations?

1           MR. BLACKMAN: Absolutely not. Absolutely not. That  
2 is what the bankruptcy judge said, that is what the trustee  
3 said. It really is quite unseemly for Mr. Gleizer to --

4           THE COURT: Don't get into that.

5           MR. GLEIZER: If I may, your Honor. At this time I am  
6 filing and serving the proof showing that it is untrue,  
7 absolutely untrue, that those moneys went to pay past salaries.  
8 In the documents, it is difficult to see because you have to go  
9 step by step. I am filing something for the Court to look at  
10 and for counsel to see.

11           Maybe, there is a possibility that 70, 75 percent of  
12 the 4.7 million were used for salaries. But there is the  
13 certainty that between 20 and 25 percent of the 4.7 million  
14 went for future salaries.

15           THE COURT: The 4.7 million is the total amount in the  
16 account or what?

17           MR. GLEIZER: No. The part they already took out, 2.5  
18 plus 2.2.

19           Your Honor, if you allow me for a second to try to  
20 paint the big picture here. What happened was this. Correo  
21 Argentino, S.A. went into bankruptcy in 2001, over one year  
22 before the rescission of this money, went into the bankruptcy  
23 proceeding. They were in the bankruptcy proceeding. The whole  
24 bankruptcy proceeding thing, there is the trustee, there is

25 Correo Argentino, S.A., and there is the administrative unit in  
51

1 front of the Argentinian judge.  
2 They are doing like anybody anywhere else does, deals,  
3 they are making deals. Yes, it says here we will give you  
4 everything. But wait with those accounts in New York. Wait  
5 with those accounts in New York. These are big amounts of  
6 money, like \$11 million.

7 THE COURT: How much did you tie up?

8 MR. GLEIZER: \$11 million, approximately. 9.5 in  
9 Lehman Brothers and 1.5 in Paribas.

10 They make deals. They make deals. Give me the money  
11 now, wait a little bit, we are going up on appeal. Factually,  
12 as your Honor says, my opinion is that this whole bankruptcy  
13 proceeding has nothing to tell you.

14 However, the judge in the bankruptcy proceeding is  
15 constantly saying – and there is an argument, and I will show  
16 you what Black's Law Dictionary says, that shows that the judge  
17 in the bankruptcy proceeding has consistently held,  
18 consistently held, Correo Argentino, S.A. has no assets.

19 Notably, on February 11, when, as counsel was saying,  
20 the appellate court reversed and put it back in the liquidation  
21 system, CASA appeared before the judge and told the judge,  
22 well, Judge, now we are back in business, we don't have  
23 anything except those \$11 million in New York, give them back

24 to me.

25 What did this judge say in the February 11 decision  
52

1 which is attached to the papers? What did the judge say? Yes,  
2 you are sent back, but you have no assets. And it says in  
3 black and white --

4 THE COURT: Who said you have no assets?

5 MR. GLEIZER: The judge, the judge that sent you this  
6 letter. You have no assets.

7 The judge is very careful, Judge Favier Dubois is very  
8 careful to tell you that the accounts are in Correo Argentino,  
9 S.A.'s name. That is true. We are not disputing that. But he  
10 tells you this is not nonattachable property of Argentina.

11 Why is it nonattachable? He agrees this is property  
12 of Argentina. But why is it nonattachable?

13 THE COURT: Where does he agree that it is property of  
14 Argentina?

15 MR. GLEIZER: In the underlying part, your Honor, of  
16 his letter, in the translation Exhibit A, he says --

17 MS. BOLATTI: Your Honor, all that says is they do not  
18 constitute property of Argentina.

19 MR. GLEIZER: Read it, your Honor. "These said  
20 accounts do not constitute attachable" --

21 THE COURT: Where are you reading?

22 MR. GLEIZER: Page 1 of attached Exhibit A in the

23 translation, your Honor.

24 THE COURT: We have seen that before.

25 MR. GLEIZER: Yes.

53

1 THE COURT: It says it is not attachable property.

2 That is not a meaningful statement, because that is up to me to

3 decide under New York law. I thought you were saying that the

4 insolvency judge said several times that Correo has no assets.

5 MR. GLEIZER: Yes, your Honor.

6 THE COURT: Did he ever say that the bank accounts up

7 here are the property of the republic?

8 MR. GLEIZER: I believe that by implication he said

9 it, because in two opportunities he took the money, and at

10 least 25 percent of that money was used to pay salaries for the

11 future.

12 MS. BOLATTI: Your Honor, may I respond?

13 THE COURT: One at a time. How do we know it is for

14 the future?

15 MR. GLEIZER: I just served it and I am filing with

16 the Court. You have to look at these things, at several

17 exhibits at the same time. It is a long process. Basically,

18 what it is is --

19 MR. BLACKMAN: This is no evidence. This is another

20 declaration of Mr. Gleizer. There is not a single new

21 document.